R E M A R K S

Claims 1 – 28 are in the application. Claims 1, 12, 15, 26, and 28 were previously presented and claims 2 – 11, 13, 14, 16 – 25, and 27 remain unchanged from the original versions thereof. Claims 1, 10, 12, 15, 18, 22, and 26 – 28 are the independent claims herein.

No new matter has been added to the application as a result of the amendments submitted herewith. Reconsideration and further examination are respectfully requested.

Claim Rejections – 35 USC § 112, 2nd paragraph

Claims 1 – 28 were rejected under 35 USC 2nd paragraph for allegedly being indefinite. In particular, the Office Action stated that it is unclear how a difference between a recurring lease payment and a recurring loan payment could be determined by one of ordinary skill in the art. This rejection is traversed.

Applicant notes that the Specification states,

> Two primary financing techniques are loans and leases. Automobile loans are contracts in which a lender (such as a financial institution or financing company) provides funds to a buyer, typically secured by an interest in the automobile. The price and availability of such financing is often based on the buyer's creditworthiness and the value of the automobile. The amount of the financing is typically less than the value of the automobile, requiring some funds to be paid directly by the buyer (usually in the form of a down payment).

> Automobile leases are contracts between an owner of the automobile (typically a financial institution or financing company) and the "buyer" (who in this case is actually a user or renter of the automobile) where the owner conveys exclusive possession, control, use, or enjoyment of the automobile for a specified rent and a specified term after which the automobile reverts to the owner. Some buyers prefer loans to leases because a loan allows the buyer to own the automobile once the loan is paid off. A buyer who wishes to purchase a vehicle at the end of a lease must typically pay a pre-determined "residual value" of the automobile. This residual value is typically agreed-to at the beginning of

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the lease. <u>Some buyers prefer leases to loans because the monthly lease payment is typically lower than a monthly loan payment for the same automobile.</u> Further, the amount of money that must be paid in advance to take possession of the vehicle is often much lower for leases than for loans (e.g., loans typically require a down payment of between 10-40% of the vehicle price). Both loans and leases can be lucrative to the financial institutions involved. (emphasis added) (See Specification at paragraphs [0004] – [0005])

Thus, it is clear that Applicant discloses a lease having a monthly lease payment and a loan h having a monthly loan payment. These payments (loan and lease) are recurring since they are *monthly* payments (i.e., occurring monthly).

Additionally, Applicant respectfully submits that it is well known to one skilled in the relevant arts most closely associated with the presently claimed invention that the payments for a lease and a loan may each be payable in recurring monthly installments. Furthermore, the mathematical operation of finding a difference between two numbers (i.e., subtraction) is also well-known and understood by one skilled in the relevant arts. Also, while the amount of the recurring payments may have some correlation to the basis for the loan or lease, it remains a fact that there is a monthly recurring payment associated with each of the lease and the loan.

Accordingly, Applicant respectfully requests the reconsideration and withdrawal of the rejection of claims 1 – 28 under 35 USC 112, 2nd paragraph.

Claim Rejections – 35 USC § 102(e)

Claims 1 – 28 were rejected as being anticipated by U.S. Pub. No. 2001/0049653 (hereinafter, Sheets). This rejection is respectfully traversed.

Claim 1 relates to a method for identifying an alternative financial product including calculating a payment difference between a loan and a lease for an item, the loan and the lease having a term, the payment difference including at least a recurring payment difference equal to a difference between a recurring payment for the loan over the term and a recurring payment for said lease over the term; identifying an investment

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option, the investment option having an expected rate of return; and calculating an investment value at the end of the term based on investment of the payment difference in the investment option. Thus, it is clear the claimed method includes calculating the payment difference that includes a difference between a recurring payment for the loan over the term and a recurring payment for the lease over the term.

Claims 10, 15, 18, 22, 26, and 27 each claim calculating a payment difference that includes a difference between a recurring payment for the loan over the term and a recurring payment for the lease over the term, in a manner similar to claim 1. Independent claims 12 and 28 recite applying a first portion of a periodic payment and a second periodic payment wherein the second portion of the periodic payment is equal to a payment difference between a recurring lease payment over a term associated with the lease and the loan and a recurring loan payment over the term. Thus, each of the independent claims in the application recite a payment difference between a recurring lease payment over a term associated with the lease and the loan and a recurring loan payment over the term.

The cited and relied upon Sheets is generally concerned with matching a customer with inventory products based on search criteria relating to the customer such as, for example, maximum total purchase price, maximum monthly payment price, credit rating, tax, finance rate, payoff price, etc. (See Sheets Abstract and paragraphs [0005] and [0008]). Applicant respectfully notes that Sheets fails to disclose calculating any *payment difference* that includes a difference between a recurring payment for the loan over the term and a recurring payment for the lease over the term, in a manner as stated in claims 1, 10, 15, 18, 22, 26, and 27. That is, no calculated payment difference between a recurring payment for the loan over the term and a recurring payment for the lease over the term for a particular item is disclosed or even suggested by Sheets.

Furthermore, Sheets fails to disclose (or even suggest) the claimed identifying of an investment option, the investment option having an expected rate of return and calculating an investment value at the end of the term based on investment of the payment difference in the investment option. In particular, Sheets fails to disclose

identifying the claimed investment option. Sheets discloses, at most, loan rates associated with a loan, not any investment option having an expected rate of return and calculating an investment value at the end of the term based on investment of the payment difference in the investment option.

Thus, it is clear that Sheets fails to anticipate claims 1, 10, 15, 18, 22, 26, and 27 under 35 USC 102(b) since Sheets fails to disclose each and every aspect of the subject claims as recited and configured.

Pending claims 2 – 9, 11, 13, 14, 16, 17, 19 – 21, and 23 – 25 not specifically referred to in this discussion, are dependent claims, and are submitted as patentable on the same basis as their parent independent claims.

Accordingly, Applicant respectfully requests the reconsideration and withdrawal of the rejection of claims 1 – 28 under 35 USC 102(e) and the allowance of same.

CONCLUSION

Accordingly, Applicants respectfully request allowance of the pending claims. If any issues remain, or if the Examiner has any further suggestions for expediting allowance of the present application, the Examiner is kindly invited to contact the undersigned via telephone at (203) 972-5985.

Respectfully submitted,

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Date

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